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<u>Kansas Receives Pollina "Most Business-Friendly State" Honor:</u>
POLLINA STUDY PRAISES KANSAS ECONOMIC POLICIES
NAMED A TOP 10 STATE FOR RETAINING JOBS, BUSINESS

CHICAGO (Tuesday, 21 March 2006) – The State of Kansas has been named one of America's Top Ten Most Business-Friendly States 2006, in an independent study of 50 US states conducted and published by Pollina Corporate Real Estate, Inc., one of America's leading corporate site relocation experts. The study, Pollina Corporate Top Ten Pro-Business States 2006: America's Economy In The 21st Century evaluates state and federal economic development policies, was unveiled today at the Manufacturing Week trade show and convention here in Chicago.

While most states are losing ground to global competition due to their poor efforts at keeping jobs and attracting businesses, the report praises Kansas for its "pro-business policies that result in job growth," which helps it create a "conducive business atmosphere," said Dr. Ronald R. Pollina, the study's author.

"Our priority has been to create jobs in Kansas by making our state an attractive place to do business. This ranking shows our strategy is paying off," says Kansas Governor Kathleen Sebelius. "We've made an investment in an educated workforce, and are working to lower the cost of health care for employers. Kansas also has a great transportation system and some of the lowest workers' comp rates in the country. All of this adds up to a great climate for employers and employees."

"While many of the overseas job losses are inevitable, a surprising number of jobs can be kept in the US if we follow **Kansas's** example and make the right efforts to work with businesses," says Dr. Pollina, who is president of Pollina Corporate Real Estate.

Since 2000, approximately 8,500 industrial facilities in the US have been closed or significantly vacated annually as blue-collar jobs move overseas, the report notes.

"Unlike **Kansas**, many large states such as **California**, **New York**, **Illinois** and **Ohio**, let jobs slip through their fingers because of high taxes, weak economic development programs or prodigious red tape. States scoring in the study's bottom half often push jobs offshore," says Dr.

Pollina. "Each job loss has a reverse multiplier effect on the local economy of between 1.5 and 1.7 jobs.

Dr. Pollina noted that "Americans who have lost jobs to offshoring are being reemployed at an average loss of wages of approximately 20 percent. In 2004, the Bureau of Labor Statistics' ten-year projections for job growth indicated that of the 10 areas of greatest projected growth, seven are low-pay service jobs such as waiters and waitresses, janitors, food preparation personnel and cashiers."

"Like a termite-stricken house, the job numbers issued by Washington do not reflect what's going on inside," says Dr. Pollina. His 101-page Keeping Jobs in America: Pollina

Corporate Top 10 Pro-Business States Study 2006, paints a bleak assessment of the national economy, while offering solutions for job retention and development. "There are no Labor Bureau numbers that track underemployment," Dr. Pollina explained. "Many outsourcers say that the number of US jobs lost to date represent the tip of the proverbial iceberg – some areas of IT could see a tenfold increase in offshoring, for example." Dr. Pollina is president of Chicago-based Pollina Corporate Real Estate, Inc.

Dr. Pollina criticized the efforts of the Federal government and most US state and regional governments in job retention and creation. "We as a nation are taking a one-eye shut approach to economic development that isn't worth much more than taking out a hanky and waving goodbye as our middle class jobs sail out of the port of gainful employment.

Government should incentivize and incubate job development and stop penalizing US companies through oppressive taxes and regulations while providing tax breaks that reward offshoring.

"Keeping US jobs requires a triage approach," says Dr. Pollina. "Governments must identify which jobs will move offshore no matter what, those that will stay, and jobs that can be saved by providing the right pro-business environment and economic incentives. Anyone who believes that we are only experiencing competition that in time will be overcome by superior US ingenuity is not only arrogant, but foolhardy. They don't understand the complexities of the international economic system nor do they understand how weak our educational system has become.